



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Public hearing to consider adopting a resolution establishing low-income discounts for water and sewer services and adopting a resolution to place the measure on the ballot for the November 7, 2006, General Municipal Election

**MEETING DATE:** July 5, 2006

**PREPARED BY:** City Attorney

---

**RECOMMENDED ACTION:** That the City Council hold public hearing to consider adopting a Resolution establishing low-income discounts for water and sewer services, and further adopting a Resolution to place the measure on the ballot for the November 7, 2006 General Municipal Election.

**BACKGROUND INFORMATION:** A question has arisen about whether the City of Lodi's low income discount program (known as SHARE - Ordinance 1750 introduced August 4, 2004), Senior Fixed Income Discount Program (also Ordinance 1750), the establishment of low-income water, sewer and refuse services (Resolution 2004-158 adopted August 4, 2004, and the Lodi Customer Assistance & Relief Energy (CARE) package program (Resolution 2004-159 adopted August 4, 2004), which is designed to assist low-income families with their city utility bill, can be funded by the rate structure under proposition 218. This question only applies to the water and wastewater programs because the electric utility is specifically exempted from Proposition 218, and the refuse utility is privately owned and exempt from Proposition 218. Proposition 218 provides that: "The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel." However, I do not believe this language prevents low-income discounts from being funded through the rate structure. First, low-income discounts are ubiquitous in the utility industry: Publicly regulated but privately owned utilities such as electric, gas and phone provide them across the country. Moreover, they provide a bad debt management tool that allows the collection of a portion of a bill that may otherwise never be collected in exchange for a reduced rate, a direct benefit to ratepayers at large. These programs also reduce the cost of bill collection and demands on staff time for collection issues.

Unfortunately, to date, no court has squarely addressed the issue and I must admit that some City Attorneys do not share my confidence in the above analysis. Accordingly, Council directed staff to prepare the discount programs for citizen approval. Since the programs, if subject to Proposition 218, would be special taxes, they require a 2/3 majority vote.

---

APPROVED:   
Blair King, City Manager

The funding budgeted in FY 2006/2007 for the programs is as follows:

	<u>SHARE/Sr./Fixed Income</u>	<u>% of Rate Revenue</u>
Water	\$ 128,300	1.6%
Wastewater	\$ 134,500	1.7%

The discount percentages will be set as follows:

	<u>SHARE</u>	<u>Sr./Fixed Income</u>
Water	20%	10%
Wastewater	20%	10%

Staff recommends that Council set a cap of 2% of revenue on each discount program and that staff monitor the discount programs annually to ensure the limit is not exceeded, with any overages in any one year being recovered from the following years 2% cap. At present revenue levels, this would equal \$164,630 in Wastewater and \$164,734 in Water. The ongoing verification of eligibility will be handled by the Finance Department, generally on an annual basis, depending on the circumstances under which a customer qualifies.

**FUNDING:** Administration costs would be borne by Water and Wastewater funds and revenue loss would occur in each of the revenue funds.

*For:*   
D. Stephen Schwabauer  
City Attorney 

RESOLUTION NO. 2006-130

A RESOLUTION OF THE LODI CITY COUNCIL  
ESTABLISHING LOW-INCOME DISCOUNTS FOR  
WATER AND SEWER SERVICES

---

WHEREAS, with the implementation of new water, sewer, and refuse rates and charges adopted April 27, 2004, the Lodi City Council adopted Ordinance No. 1750 amending Lodi Municipal Code Chapter 13.04, §13.04.130, "Low Income Adjustments," at its September 15, 2004, City Council meeting; and

WHEREAS, the City Council now desires to adopt a resolution establishing Water and Sewer Services discounts for eligible low-income residents, and further desires to place the Measure on the November 2006 ballot for citizen approval.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Lodi City Council does hereby approve and establish low-income discounts for water and sewer services as shown below, which shall become effective the first billing period following the effective date of this Resolution:

For Residential Customers who qualify for the Electric SHARE Program discount:

Water	20%	Discount on the Residential Flat Rate
Wastewater	20%	Discount on the Residential Flat Rate for Disposal to the Domestic System

OR,

For Residential Customers who qualify for the Electric Senior/Fixed-Income discount:

Water	10%	Discount on the Residential Flat Rate
Wastewater	10%	Discount on the Residential Flat Rate for Disposal to the Domestic System

BE IT FURTHER RESOLVED that the water and wastewater discounts shall be funded by the ratepayers, collected with utility bills; and

BE IT FURTHER RESOLVED that the programs will be limited to two percent (2%) of the revenue of each utility. At current revenue levels, this equals \$164,234.00 in the water utility and \$164,630.00 per year in wastewater; and

BE IT FURTHER RESOLVED that the City Council does hereby direct staff to institute a verification program whereby every three years, 10% of one third (1/3) of the applicants' eligibility is re-confirmed; and

BE IT FURTHER RESOLVED that this Measure shall be placed on the November 7, 2006, Ballot for citizen approval.

Dated: July 5, 2006

---

I hereby certify that Resolution No. 2006-130 was passed and adopted by the City Council of the City of Lodi at its regular meeting held July 5, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, and Mayor Hitchcock

NOES: COUNCIL MEMBERS – Johnson and Mounce

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

  
JENNIFER M. PERRIN  
City Clerk

RESOLUTION NO. 2006-131

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LODI,  
CALIFORNIA, ORDERING THAT A MEASURE BE SUBMITTED TO THE  
VOTERS AT THE GENERAL MUNICIPAL ELECTION TO BE  
CONSOLIDATED WITH THE STATEWIDE GENERAL ELECTION ON  
NOVEMBER 7, 2006, RELATING TO LOW-INCOME DISCOUNTS FOR  
WATER AND SEWER SERVICES

=====

WHEREAS, a General Municipal Election on Tuesday, November 7, 2006, has been called by Resolution No. 2006-96, adopted on May 17, 2006; and

WHEREAS, the City Council requested the Board of Supervisors of the County of San Joaquin to render specified services to the City relating to the conduct of a General Municipal Election to be held on Tuesday, November 7, 2006, by Resolution No. 2006-97, adopted on May 17, 2006; and

WHEREAS, the City Council also desires to submit to the voters of the City of Lodi at the General Municipal Election to be consolidated with the Statewide General Election on November 7, 2006, a question relating to low-income discounts for water and sewer services.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LODI, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. That the City Council, pursuant to its right and authority, does order submitted to the voters at the General Municipal Election the following question:

Shall the Resolution establishing low-income discounts for water and sewer services be passed?	Yes
	No

SECTION 2. That the proposed complete text of the measure to be submitted to the voters is attached as Exhibit A.

SECTION 3. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 4. That the City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the county election department of the County of San Joaquin.

SECTION 5. That the City shall reimburse the County for services performed and upon presentation to the City of a properly approved bill.

SECTION 6. That the City Attorney prepare a ballot summary for inclusion in election materials not to exceed 500 words.

SECTION 7. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**Dated:** July 5, 2006

=====

I hereby certify that Resolution No. 2006-131 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 5, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, and Mayor Hitchcock

NOES: COUNCIL MEMBERS – Johnson and Mounce

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

  
JENNIFER M. PERRIN  
Interim City Clerk

A RESOLUTION OF THE LODI CITY COUNCIL  
ESTABLISHING LOW-INCOME DISCOUNTS FOR  
WATER AND SEWER SERVICES

WHEREAS, with the implementation of new water, sewer, and refuse rates and charges adopted April 27, 2004, the Lodi City Council adopted Ordinance No. 1750 amending Lodi Municipal Code Chapter 13.04, §13.04.130. "Low Income Adjustments," at its September 15, 2004, City Council meeting; and

WHEREAS, the City Council now desires to adopt a resolution establishing Water and Sewer Services discounts for eligible low-income residents, and further desires to place the Measure on the November 2006 ballot for citizen approval.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Lodi City Council does hereby approve and establish low-income discounts for water and sewer services as shown below, which shall become effective the first billing period following the effective date of this Resolution:

For Residential Customers who qualify for the Electric SHARE Program discount:

Water	20%	Discount on the Residential Flat Rate
Wastewater	20%	Discount on the Residential Flat Rate for Disposal to the Domestic System

OR,

For Residential Customers who qualify for the Electric Senior/Fixed-Income discount:

Water	10%	Discount on the Residential Flat Rate
Wastewater	10%	Discount on the Residential Flat Rate for Disposal to the Domestic System

BE IT FURTHER RESOLVED that the water and wastewater discounts shall be funded by the ratepayers, collected with utility bills; and

BE IT FURTHER RESOLVED that the programs will be limited to two percent (2%) of the revenue of each utility. At current revenue levels, this equals \$164,234.00 in the water utility and \$164,630.00 per year in wastewater; and

BE IT FURTHER RESOLVED that the City Council does hereby direct staff to institute a verification program whereby every three years, 10% of one third (1/3) of the applicants' eligibility is re-confirmed; and

BE IT FURTHER RESOLVED that this Measure shall be placed on the November 7, 2006, Ballot for citizen approval.

Dated: July 5, 2006

I hereby certify that Resolution No. 2006-130 was passed and adopted by the City Council of the City of Lodi at its regular meeting held July 5, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, and Mayor Hitchcock

NOES: COUNCIL MEMBERS – Johnson and Mounce

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

  
JENNIFER M. PERRIN  
City Clerk



***Please immediately confirm receipt  
of this fax by calling 333-6702***

CITY OF LODI  
P. O. BOX 3006  
LODI, CALIFORNIA 95241-1910

**ADVERTISING INSTRUCTIONS**

**SUBJECT:** NOTICE OF PUBLIC HEARING FOR JULY 5, 2006, FOR THE ADOPTION OF  
ORDINANCE ESTABLISHING LOW INCOME DISCOUNTS FOR WASTER  
AND WASTEWATER RATEPAYERS

**LEGAL AD**

**PUBLISH DATE:** SATURDAY, JUNE 24, 2006 & JULY 1, 2006

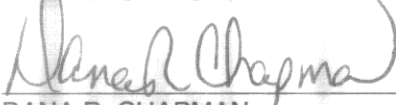
**TEAR SHEETS WANTED:** Three (3) please

**SEND AFFIDAVIT AND BILL TO:** JENNIFER M. PERRIN, INTERIM CITY CLERK  
City of Lodi  
P.O. Box 3006  
Lodi, CA 95241-1910

**DATED:** THURSDAY, JUNE 22, 2006

**ORDERED BY:** JENNIFER M. PERRIN  
INTERIM CITY CLERK

JENNIFER M. PERRIN, CMC  
INTERIM CITY CLERK

  
DANA R. CHAPMAN  
ADMINISTRATIVE CLERK

JACQUELINE L. TAYLOR, CMC  
DEPUTY CITY CLERK

**Verify Appearance of this Legal in the Newspaper – Copy to File**

LNS Faxed to the Sentinel at 369-1084 at 4:00pm (time) on 6/22/06 (date) 3 (pages)  
DIANE Phoned to confirm receipt of all pages at 4:30pm (time) JLT ☒ DRC JMP (Initials)



## **DECLARATION OF POSTING**

### **PUBLIC HEARING FOR JULY 5, 2006, FOR THE ADOPTION OF ORDINANCE ESTABLISHING LOW INCOME DISCOUNTS FOR WATER AND WASTEWATER RATEPAYERS**

On Friday, June 23, 2006, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing for July 5, 2006, for the Adoption of Ordinance Establishing Low Income Discounts for Water and Wastewater Ratepayers.

Lodi Public Library  
Lodi City Clerk's Office  
Lodi City Hall Lobby  
Lodi Carnegie Forum

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 23, 2006, at Lodi, California.

ORDERED BY:

**JENNIFER M. PERRIN  
INTERIM CITY CLERK**

\_\_\_\_\_  
JENNIFER M. PERRIN, CMC  
INTERIM CITY CLERK

\_\_\_\_\_  
JACQUELINE L. TAYLOR, CMC  
DEPUTY CITY CLERK

A handwritten signature in dark ink, appearing to read "Dana R. Chapman", is written over a horizontal line.

DANA R. CHAPMAN  
ADMINISTRATIVE CLERK





## CITY OF LODI

Carnegie Forum  
305 West Pine Street, Lodi

## NOTICE OF PUBLIC HEARING

Date: July 5, 2006

Time: 7:00 p.m.

For information regarding this notice please contact:

**Jennifer M. Perrin**  
Interim City Clerk  
Telephone: (209) 333-6702

### NOTICE OF PUBLIC HEARING

**NOTICE IS HEREBY GIVEN** that on **Wednesday, July 5, 2006**, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider the following matter:

- a) Adoption of resolution establishing low-income discounts for water and wastewater ratepayers (see Exhibit A attached)

Information regarding this item may be obtained in the City Attorney's Office, 221 West Pine Street, Lodi, (209) 333-6701. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 W. Pine Street, 2<sup>nd</sup> Floor, Lodi, 95240 at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

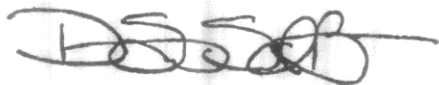
If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

  
Jennifer M. Perrin  
Interim City Clerk

Dated: June 21, 2006

Approved as to form:



D. Stephen Schwabauer  
City Attorney

A RESOLUTION OF THE LODI CITY COUNCIL  
ESTABLISHING LOW-INCOME DISCOUNTS FOR  
WATER AND SEWER SERVICES

WHEREAS, with the implementation of new water, sewer, and refuse rates and charges adopted April 27, 2004, the Lodi City Council adopted Ordinance No. 1750 amending Lodi Municipal Code Chapter 13.04, §13.04.130, "Low Income Adjustments," at its September 15, 2004, City Council meeting; and

WHEREAS, the City Council now desires to adopt a resolution establishing Water and Sewer Services discounts for eligible low-income residents, and further desires to place the Resolution on the November 2006 ballot for citizen approval.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Lodi City Council does hereby approve and establish low-income discounts for water and sewer services as shown below, which shall become effective the first billing period following the effective date of this Resolution:

For Residential Customers who qualify for the Electric SHARE Program discount:

Water	20%	Discount on the Residential Flat Rate
Wastewater	20%	Discount on the Residential Flat Rate for Disposal to the Domestic System

OR,

For Residential Customers who qualify for the Electric Senior/Fixed-Income discount:

Water	10%	Discount on the Residential Flat Rate
Wastewater	10%	Discount on the Residential Flat Rate for Disposal to the Domestic System

BE IT FURTHER RESOLVED that the water and wastewater discounts shall be funded by the ratepayers, collected with utility bills; and

BE IT FURTHER RESOLVED that the programs will be limited to two percent (2%) of the revenue of each utility. At current revenue levels this equals \$164,630 per year in wastewater and \$164,234 in the water utility; and

BE IT FURTHER RESOLVED that the City Council does hereby direct staff to institute a verification program whereby every three years 10% of 1/3 of the applicants' eligibility is re-confirmed; and

BE IT FURTHER RESOLVED that this Resolution shall be placed on the November 7, 2006 Ballot for citizen approval.

Dated: July 5, 2006

I hereby certify that Resolution No. 2006-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi at its regular meeting held July 5, 2006, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. PERRIN  
City Clerk

2006-\_\_\_\_\_

CITY COUNCIL

SUSAN HITCHCOCK,  
Mayor

BOB JOHNSON,  
Mayor Pro Tempore

JOHN BECKMAN

LARRY D. HANSEN

JOANNE MOUNCE

# CITY OF LODI



BLAIR KING,  
City Manager

JENNIFER M. PERRIN,  
Interim City Clerk

D. STEPHEN SCHWABAUER,  
City Attorney

CITY HALL, 221 WEST PINE STREET / P.O. BOX 3006  
LODI, CALIFORNIA 95241-1910  
(209) 333-6702 / FAX (209) 333-6807 / [www.lodi.gov](http://www.lodi.gov)

July 6, 2006

Deborah Hench  
Registrar of Voters  
P.O. Box 810  
Stockton, CA 95201

**RE: NOVEMBER 7, 2006, GENERAL MUNICIPAL ELECTION**

---

Enclosed please find a certified copy of the following resolution pertaining to the November 7, 2006, General Municipal Election, which was adopted by the Lodi City Council at its July 5, 2006, regular meeting:

- Resolution giving notice of the holding of a general municipal election on Tuesday, November 7, 2006, for the submission of a proposed ordinance (relating to low-income discounts for water and sewer services).

Should you have any questions regarding this matter, please feel free to give me a call.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer M. Perrin".  
Jennifer M. Perrin  
Interim City Clerk

JMP

Enclosures

cc: San Joaquin County Board of Supervisors (+ encl.)

RESOLUTION NO. 2006-131

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LODI,  
CALIFORNIA, ORDERING THAT A MEASURE BE SUBMITTED TO THE  
VOTERS AT THE GENERAL MUNICIPAL ELECTION TO BE  
CONSOLIDATED WITH THE STATEWIDE GENERAL ELECTION ON  
NOVEMBER 7, 2006, RELATING TO LOW-INCOME DISCOUNTS FOR  
WATER AND SEWER SERVICES

=====

WHEREAS, a General Municipal Election on Tuesday, November 7, 2006, has been called by Resolution No. 2006-96, adopted on May 17, 2006; and

WHEREAS, the City Council requested the Board of Supervisors of the County of San Joaquin to render specified services to the City relating to the conduct of a General Municipal Election to be held on Tuesday, November 7, 2006, by Resolution No. 2006-97, adopted on May 17, 2006; and

WHEREAS, the City Council also desires to submit to the voters of the City of Lodi at the General Municipal Election to be consolidated with the Statewide General Election on November 7, 2006, a question relating to low-income discounts for water and sewer services.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LODI, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. That the City Council, pursuant to its right and authority, does order submitted to the voters at the General Municipal Election the following question:

Shall the Resolution establishing low-income discounts for water and sewer services be passed?	Yes
	No

SECTION 2. That the proposed complete text of the measure to be submitted to the voters is attached as Exhibit A.

SECTION 3. That in all particulars not recited in this resolution, the election shall be held and conducted as provided by law for holding municipal elections.

SECTION 4. That the City Clerk is hereby directed to file a certified copy of this resolution with the Board of Supervisors and the county election department of the County of San Joaquin.

SECTION 5. That the City shall reimburse the County for services performed and upon presentation to the City of a properly approved bill.

SECTION 6. That the City Attorney prepare a ballot summary for inclusion in election materials not to exceed 500 words.

SECTION 7. That the City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**Dated:** July 5, 2006

=====

I hereby certify that Resolution No. 2006-131 was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 5, 2006, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, and Mayor Hitchcock

NOES: COUNCIL MEMBERS – Johnson and Mounce

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None

  
JENNIFER M. PERRIN  
Interim City Clerk

A RESOLUTION OF THE LODI CITY COUNCIL  
ESTABLISHING LOW-INCOME DISCOUNTS FOR  
WATER AND SEWER SERVICES

WHEREAS, with the implementation of new water, sewer, and refuse rates and charges adopted April 27, 2004, the Lodi City Council adopted Ordinance No. 1750 amending Lodi Municipal Code Chapter 13.04, §13.04.130, "Low Income Adjustments," at its September 15, 2004, City Council meeting; and

WHEREAS, the City Council now desires to adopt a resolution establishing Water and Sewer Services discounts for eligible low-income residents, and further desires to place the Measure on the November 2006 ballot for citizen approval.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Lodi City Council does hereby approve and establish low-income discounts for water and sewer services as shown below, which shall become effective the first billing period following the effective date of this Resolution:

For Residential Customers who qualify for the Electric SHARE Program discount:

Water	20%	Discount on the Residential Flat Rate
Wastewater	20%	Discount on the Residential Flat Rate for Disposal to the Domestic System

OR,

For Residential Customers who qualify for the Electric Senior/Fixed-Income discount:

Water	10%	Discount on the Residential Flat Rate
Wastewater	10%	Discount on the Residential Flat Rate for Disposal to the Domestic System

BE IT FURTHER RESOLVED that the water and wastewater discounts shall be funded by the ratepayers, collected with utility bills; and

BE IT FURTHER RESOLVED that the programs will be limited to two percent (2%) of the revenue of each utility. At current revenue levels, this equals \$164,234.00 in the water utility and \$164,630.00 per year in wastewater; and

BE IT FURTHER RESOLVED that the City Council does hereby direct staff to institute a verification program whereby every three years, 10% of one third (1/3) of the applicants' eligibility is re-confirmed; and

BE IT FURTHER RESOLVED that this Measure shall be placed on the November 7, 2006, Ballot for citizen approval.

Dated: July 5, 2006

I hereby certify that Resolution No. 2006-130 was passed and adopted by the City Council of the City of Lodi at its regular meeting held July 5, 2006, by the following vote:

AYES:	COUNCIL MEMBERS – Beckman, Hansen, and Mayor Hitchcock
NOES:	COUNCIL MEMBERS – Johnson and Mounce
ABSENT:	COUNCIL MEMBERS – None
ABSTAIN:	COUNCIL MEMBERS – None

  
JENNIFER M. PERRIN  
City Clerk